

MINUTE ITEM

24. LONG BEACH TIDELANDS, CHAPTER 29/56, 1ST E.S., AUDITING SERVICES -
W.O. 2323.4.

After consideration of Calendar Item 1 attached, and upon motion duly made and unanimously carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ENTER INTO AND EXECUTE A SUPPLEMENTARY AGREEMENT TO INTERAGENCY AGREEMENT LC-27 WITH THE AUDITS DIVISION, DEPARTMENT OF FINANCE, PROVIDING \$5,000 FOR ADDITIONAL SERVICES, THUS MAKING THE TOTAL COST OF CONTRACT AUDIT SERVICES FOR THE FISCAL YEAR 1958-59 \$20,000.

Attachment

Calendar Item 1 (1 page)

CALENDAR ITEM

1.

LONG BEACH TIDELANDS, CHAPTER 29/56, 1ST E.S., AUDITING SERVICES - W.O. 2323.4.

On August 15, 1956, September 13, 1957, and June 11, 1958, the Commission authorized agreements with the Audits Division, Department of Finance, for the twofold purpose of establishing accountability by the City of Long Beach in connection with the disposition of revenues from the City's granted tidelands, and the development of a program for auditing operations under Chapter 29/56, 1st E.S.

The services performed by the Division of Audits fall into the following general categories:

1. Auditing of tidelands trust funds established for maintenance and improvement of the harbor district.
2. Review of the fiscal phases of oil operations and control procedures of the City of Long Beach.
3. Examination of records of gas processors and review of procedures in the City gas department.
4. Review of the City's internal audit reports.
5. Preparation of reports on the City's operations.

The Audits Division is presently engaged in completing a contract audit through June 30, 1958. Funds encumbered for auditing contract services amounting to \$15,000 for 1958-59 were expended as of February 28, 1959. Budgeted funds in the amount of \$6,000 are still available for this purpose.

It is estimated that an additional 1,000 hours of time at a cost of approximately \$5,000 will complete the work about May 31, 1959.

Present plans call for the State Lands Division to take over all the auditing duties presently being performed by the Audits Division, commencing approximately June 1, 1959. Thereafter, the services of the Audits Division will be used only where special audit investigations or additional auditing assistance is required.

IT IS RECOMMENDED THAT THE EXECUTIVE OFFICER BE AUTHORIZED TO ENTER INTO AND EXECUTE A SUPPLEMENTARY AGREEMENT TO INTERAGENCY AGREEMENT LC-27 WITH THE AUDITS DIVISION, DEPARTMENT OF FINANCE, PROVIDING \$5,000 FOR ADDITIONAL SERVICES, THUS MAKING THE TOTAL COST OF CONTRACT AUDIT SERVICES FOR THE FISCAL YEAR 1958-59 \$20,000.